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|  | <p style="text-align: center;">Risk Management & Tort Defense Division</p> <p>Title: Telecommuting and Insurance Coverage for State Employees. Short Title: Telecommuting Insurance Replaces and Supersedes: None</p> | Number: RMTD0001 |
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I. PURPOSE

Under §2-9-201, MCA, the Department of Administration, Risk Management & Tort Defense Division is responsible for the acquisition and administration of all the insurance purchased for the protection of the state as defined in §2-9-101, MCA.

In many instances, state agencies allow state employees to use state equipment while they work from or out of their homes. The purpose of this policy is to outline coverages that are provided under the state's self-insured property/casualty plan and to specify deductibles, policy limits, and responsibilities of state employees.

II. HOMEOWNER'S COVERAGE

State employee homeowner coverage is primary. The state's coverage is excess of the employee's homeowner insurance subject to a \$1,000 deductible to be paid by the state agency.

III. SELF-INSURANCE AGREEMENT

The Risk Management & Tort Defense Division agrees to cover direct loss or physical damage to real property owned by the state that is in the care, custody, and control of a state employee telecommuter provided that he/she is an authorized employee of the state as defined in §2-9-101, MCA, subject to a \$1,000 deductible.

The first \$1,000 of any loss in excess of the business use limit on the employee's homeowner's policy shall be the responsibility of the state agency. Any loss that is in excess of the employee's homeowner's policy (business limit) and the agency deductible will be paid by the Risk Management & Tort Defense Division subject to the limits, terms, and conditions of its property policy.

IV. COVERAGE EXCLUSIONS

- A.** The division will not pay for mysterious disappearances.
- B.** The division will not pay damages that were within the ability of the state employee to prevent, but were not prevented. Examples include, but are not limited to, failure to protect the equipment from intentional damage inflicted by residents of the home, failure to protect the property from additional damage caused covered peril (i.e. flood) after the loss occurred.
- C.** The division may not pay for claims for damages where adequate security for the property (i.e. leaving the home unlocked, leaving valuable state property in an open vehicle, etc.) was not provided.
- D.** Provisions of the state's overlying commercial insurance policy do apply.

V. PROPERTY COVERED

All real and/or personal held by the state employee or in the state employee's care, custody or control, or for which the state may be responsible.

VI. PROPERTY EXCLUDED

Currency, deeds, securities, objects of fine art, bullion, precious metals, jewelry, watches, silverware, furs, and credit cards.

VII. STATE EMPLOYEE RESPONSIBILITIES

- A.** State employees must take reasonable and precautionary steps to protect state property from being stolen.
- B.** State employees must take reasonable and precautionary steps to limit damages to state property once a loss has occurred. Example: After a flood loss, the state employee should move the state's equipment to higher ground, or if it has been damaged already, move it to a dry area.
- C.** State employees must promptly report the claim to their insurance carrier and to their agency if the loss is expected to exceed \$1,000. The employee and his/her supervisor must complete the Report of Incident.

VIII. STATE AGENCY RESPONSIBILITIES

- A.** Maintain an inventory of all equipment on loan to the state employee telecommuter and make sure that it is returned upon termination of the agreement.

- B.** Follow the claims procedures found on the Risk Management & Tort Defense Division's website at <http://rmt.d.mt.gov/claims/agenciesreportclaims.asp>. and file the claim in a timely manner.